

# President Takes Steps to Spur Head of Alliance for Progress

By RICHARD DUDMAN  
A Washington Correspondent of the Post-Dispatch

PRESIDENTIAL CRITICISM of the Alliance for Progress has added new urgency to the urgent problems already faced by Teodoro Moscoso, key man in the program for economic and social development in Latin America.

Moscoso, an American from Puerto Rico, was picked by the President four months ago to be the chief architect and advocate of the alliance. He already had been working 12 hours a day, in the weekends, to get the program well started and to prepare for the ordeal of cross-examination by the House Appropriations Committee starting this month.

THEN CAME the word from the White House—privately but vigorously — that the program was too slow in getting started. Mr. Kennedy wanted tangible results in a hurry, and he wanted the appearance of dramatic, fast-moving success.

Under this prodding, steps already have been taken to spur quicker and more effective action.

Moscoso's title has been changed, by direct presidential order. Instead of being called regional assistant administrator for Latin America of the Agency for International Development, he now is known as co-ordinator for the Alliance for Progress.

His staff is being moved physically out of the AID wing of the State Department. The shift, being made this weekend, will give the Latin American program its own separate location several blocks away and symbolize its special importance.

The President has also assigned temporarily two troubleshooters to help move the program ahead faster. The special assignments have been given to Richard N. Goodwin, deputy assistant Secretary of State for Latin American affairs, and Richard M. Bissell Jr., who retired recently as deputy director of the Central Intelligence Agency to join the Institute for Defense Analyses, which works under contract for the Department of Defense.

These remedial steps point to organization problems that could plague any agency. Moscoso, who headed Puerto Rico's "Operation Bootstrap" development program before being



THEODORO MOSCOSO

named ambassador to Venezuela, has won high praise in Washington and in Latin America as a tough and creative idea man.

But as an administrator, he is said by some to try to do too many jobs himself and to surround himself with too many special assistants without clear lines of authority.

BEYOND these procedural difficulties, however, are some underlying problems that are central to the concept of the Alliance for Progress, as announced by President Kennedy last March 13 and approved as an Inter-American undertaking last August at Punta del Este, Uruguay, by all the American nations except Cuba.

These problems are not necessarily insoluble, but clear solutions are not yet in sight.

First, there is a special problem of co-ordination: How can Moscoso co-ordinate a program that is not really an entity but a collection of different kinds of assistance operated by many different public and private industries?

As one official put it this week,

mind rather than

The 20-billion dollar total to be invested in economic and social development in 15 years comprises not only direct United States aid but also loans from the World Bank and the Inter-American Development Bank, foreign government assistance, and private investment from the United States as well as Western Europe and Japan.

Even some parts of the direct United States aid fall outside the new AID agency and thus outside Moscoso's formal jurisdiction. Substantial assistance is in the form of surplus food purchased by the Department of Agriculture, and loans from the Export-Import Bank. He has no control over private or foreign government investment.

When President Kennedy appointed Moscoso a regional assistant administrator of AID last November, he designated him also "co-ordinator of all our Alliance for Progress efforts."

But there was less to the latter title than met the eye, and it slipped quickly into disuse.

MR. KENNEDY now has ordered the "co-ordinator" title used exclusively and made it clear at a meeting of officials from all agencies concerned that this was Moscoso's function and that they should accept his policy guidance where the alliance was concerned.

Since then, Moscoso has been calling together top officials of United States agencies as well as United States representatives on international lending agencies to apply co-ordination in fact as well as name.

A SECOND underlying problem is how to persuade the rich and powerful of Latin America to give up part of their wealth and power in the interests of social progress.

Tax and land reforms, which are at the heart of the alliance concept, strike at the foundations of the feudal system that still grips much of Latin America. They are bound to meet strong political resistance.

Moscoso argues, as does Mr. Kennedy, that reform is insurance against bloody revolution and likes to quote President Betancourt of Venezuela, who

in order to save the rich.

But many members of the Latin American oligarchies still resist change and are willing to take their chances on a future that retains the abuses of the past.

A final basic question concerns the clash between drastic reform and incentives to private investment.

Public assistance can be no more than marginal. What each country of Latin America needs is thousands of active entrepreneurs putting capital into their countries' economies.

But land reform and tax reform smack of socialism and are anathema to investment. They cause local capital to fly to numbered accounts in Switzerland or to havens in other countries that have no such left-wing notions about redistributing the wealth.

Moscoso draws on his experience with Operation Bootstrap to show that social reforms bring a rising standard of living that helps everyone, business included. He appeals to capital's sense of its own best interest and promises long-run benefits.

It remains to be seen how effective this persuasion will be.

For all its difficulties, the alliance is completing its first year with some tangible accomplishments to its credit. Moscoso is expected to announce this week that direct United States development aid has passed the billion-dollar mark. This will be according to schedule even though the program has had only about four months of actual operation.

Colombia and Bolivia presented over-all development plans to a nine-member advisory panel some time ago, and Chile presented its plan last week. Those of Panama and Honduras are expected soon.

Tax and land reforms, new education programs, and housing construction are proceeding, rapidly in some countries, slowly in others.

It is too early to predict or expect dramatic success or dramatic failure.

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